



**State of Connecticut  
Office of Consumer Counsel**

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## **NEWS RELEASE**

### **CL&P's Proposed Rates for 2007**

**New Britain, Connecticut** --The Connecticut Light and Power Company ("CL&P") has filed its proposed Standard Service and Last Resort Service rates for 2007 with the Department of Public Utility Control ("Department" or "DPUC"). As many have anticipated, these rates will be going up compared to the company's 2006 rates. Overall, CL&P has proposed increases of 8.9% (Standard Service, covering residential and most commercial customers) and 18.9% (Last Resort Service, covering larger customers). Also, the DPUC may alter CL&P's proposal before issuing the agency's final approvals for 2007.

CL&P's rates are going up mainly to reflect the costs of the company's recent purchase of electrical power it needs for Standard Service and Last Resort Service. Because CL&P no longer owns any generation plants, it must purchase such power in a wholesale regional market that the state does not control. The prices CL&P achieved illustrate that this market, administered by ISO New England and controlled by the Federal Energy Regulatory Commission, operates in a manner that harms CL&P's ratepayers. The Office of Consumer Counsel ("OCC"), with others, is working to extricate Connecticut from our dependency on this ISO/FERC market --- including by allowing Connecticut utilities (CL&P and United Illuminating) to once again own some generation plants.

OCC carefully monitored the CL&P energy purchasing efforts over the last four months. We advised the DPUC that CL&P did a capable job with these purchases, and that CL&P's prices appear to reflect current conditions in the ISO/FERC market. At the same time, OCC does not believe it is good policy to allow the state's dependency on this market to continue. OCC expects to continue working with all stakeholders (including CL&P) to persuade the General Assembly to address this problem in the upcoming legislative session.

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